

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW  
YORK**

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**SECURITIES AND EXCHANGE COMMISSION,** :  
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 **Plaintiff,** : **19 Civ. 09439 (PKC)**  
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 **- against -** : **ECF Case**  
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 **TELEGRAM GROUP INC. and TON ISSUER INC.** :  
 :  
 **Defendants.** :  
 :  
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**DECLARATION OF [REDACTED] IN SUPPORT OF NON-PARTY  
[REDACTED] S MOTION TO SEAL ITS CONFIDENTIAL  
DOCUMENTS**

I, [REDACTED], do hereby declare as follows:

1. I am a Managing Director with the [REDACTED] family of affiliated venture capital funds, which includes affiliated fund [REDACTED] [REDACTED] and are identified in the SEC's Declaration of Ladan F. Stewart (ECF No 81) as Investor B.<sup>1</sup> I make this declaration based upon my own personal knowledge and in support of the Motion to Seal Confidential Documents filed by Investor B concurrently herewith.
2. Investor B received a request from the Securities and Exchange Commission to produce documents pertaining to Telegram in October 2019. Subsequently, in December 2019, Investor B was asked to provide a declaration to the SEC. Investor B produced multiple documents requested by the SEC including its investment memos and emails pertaining to its investment evaluation and analysis of Telegram. These

<sup>1</sup> For the reasons set forth in the supporting memorandum of law identifying investor information is redacted herein.

documents were produced confidentially and pursuant to the protective order in this case. In addition, the Declaration of Investor B and its supporting Exhibits were also provided on a confidential basis subject to the protective order.

3. The Declaration of Investor B included Exhibits D and E which are the proprietary investment memos of Investor B.
4. Investor B has been engaged for over 15 years in investing in the venture business by employing investment strategies and processes that enable it to identify opportunities in the highly competitive venture capital business. As a venture fund, Investor B succeeds in its business through its ability to identify industry sectors of need, formulate investment thesis, keenly assess investments, negotiate and market deal structures to issuers, and thereby distinguish itself from our competitors.
5. Our process for identifying opportunities and making financial investments is our central proprietary competitive advantage, and its disclosure will harm not only our business but also that of our client investors.
6. The investment memoranda in connection with Telegram contain significant confidential information and a proprietary approach to find and process investments. The sensitivity of this information is further heightened by the fact that the identities of Investor B and its fund employer has been inadvertently leaked to the public and press reports have identified Investor B as a result of the inclusion of its declaration in connection with the SEC's motion for summary judgment.
7. Investor B does not share any of its procedures and methods for evaluating, identifying, and processing its investments and maintains secrecy and confidentiality over it by non-disclosure agreements for employees and portfolio companies, and the highly selective distribution of investment memos. The investment memos are particularly treated with a high degree of confidentiality and only provided to internal

employees on a need to know basis.

8. Public disclosure of the investment memoranda in Exhibits D-E to the declaration of Investor B will impact Investor B's competitive advantage in identifying investments in the highly competitive venture investment business and will materially harm its business.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 02/04/2020

  
